USDA Foreign Agricultural Service

GAIN Report

Global Agriculture Information Network

Template Version 2.08

Required Report - public distribution

Date: 10/26/2004

GAIN Report Number: GR4030

Greece

Planting Seeds

Annual

2004

Approved by:
Ann Murphy
U.S. Embassy Rome

Prepared by:
Stamatis Sekliziotis

Report Highlights:
Greece imported $40.3 million in field crop seeds in 2003, of which $15.5 million in cotton seed for planting. U.S. genetics accounted for 60% of total planted field crops last year. The total value of all seeds imported was $57.1 million. Greece produces tobacco, sugarbeet, alfalfa and wheat seed domestically, but does not export significant quantities. Opportunities exist for increased imports of corn, durum wheat, alfalfa and other forage plants, tomato and some grass seed blends. The government of Greece tests for adventitious presence (AP) of biotech in conventional seeds, threatening corn seed and cotton seed imports, because of low tolerance for AP.

Includes PSD Changes: No
Includes Trade Matrix: No
Annual Report
Rome [IT1]
[GR]

Table of Contents

SECTION I: Situation and Outlook Narrative

Production

Seeds are produced in Greece by two types of institutions. The primary production is by private companies and the lesser production is by quasi-government organizations. Tobacco seed is produced and distributed to farmers by the Tobacco Institute located in the town of Drama, of East Macedonia. It is part of the National Network of Institutes for Agricultural Research under the Ministry of Agriculture - NAGREF. Periodically, the Tobacco Institute cooperates with US Companies to obtain seed, particularly Flue Cured varieties (Virginia varieties) and Burley. Good germination, good uniformity and little labour at transplantation, fast growth and no loss of plants in the fields when using US seeds, are factors reported by Greek farmers who also receive know-how from US companies through their Farm Groups (i.e. floating tray system application).

Sugar beet seed is produced and distributed to farmers by the Hellenic Sugar Industry.

The Cotton Institute, also part of NAGREF, produces local varieties of cotton seed, which have been gradually replaced by imported seed, particularly of US origin. Domestic cotton seed was produced for many years in cooperation with the Hellenic Cotton Board but both the Hellenic Cotton Board and Hellenic Tobacco Board were abolished in 2002 after the GOG's decision to integrate their activities and responsibilities into the Field Crops Division of the Ministry of Agriculture and OPEGIEP, a new agency within the Ministry of Agriculture responsible for EU Policy Implementation on subsidy and income support payments to farmers.

Some domestically produced field crop and vegetable seeds are distributed to farmers at relatively lower prices, by KESPY, the Central Cooperative Union for Supplying Agricultural Inputs. However, private companies distribute the bulk of seed supplies. The majority of farmers prefer to use seed offered by private companies due to better quality and consistent supplies. Farmers buy seed individually or through their farm groups and local cooperative unions. When they buy through their cooperatives, credit is extended over much longer terms from that offered in the private seed market (reportedly up to 6 months). Although these incentives are known among farmers, quality and high yield advantages offered by seed varieties sold in the private sector, attract the largest majority of farmers to trust and buy from private distributors.

Seven private companies produce cotton and corn seed domestically. Those firms produce domestic seed by licence and use local varieties and/or imported genetics for their production needs. Their production is limited to the amounts needed to supplement domestic market needs. Cooperatives use domestic varieties of cotton, corn and wheat in particular. All domestically produced seed (either field crop seeds and/or vegetable seeds) is produced and marketed in the framework of relevant EU Regulations on Variety listing Catalogue. When introducing seed varieties into Greece for the first time, they have to be listed in the EU variety catalogue, before they may be imported and planted freely in Greece. If not listed in the EU catalogue, new varieties have to be registered in the national variety catalogue after a procedure which lasts for almost 2 years in the NAGREF (National Agricultural Research Foundation).

Trade, Supply and Demand of Seed

For Greek field crops, U.S. genetics accounted for 60% of the total planted seed in 2003. This is the situation over all crops but the main ones are corn, cotton, alfalfa, wheat, some tobacco, forage plants and Industrial tomato. Some sugar beet seed, less than one ton, is imported from the EU by the Hellenic Sugar Industry for propagation purposes and genetic regeneration for locally produced seed, distributed by the industry to contracted farmers.

Imported cotton seed is handled by private importers. For 2004, Greece imported an estimated 5,000 – 5,500 MT out of a total of 9,000 - 10,000 MT planted this year (including replanting), with 65%-80% of the imported seed originating in the U.S. The range is wide because some U.S. seed enters the EU at other European ports before it enters Greece. US cotton seed and corn seed for planting is also imported from Turkey, Hungary and Romania (produced under license in these countries).

In 2003, total imports of cotton seed from all origins reached 5,722 MT, at the total value of € 14.3 million ($15.5 million). Competition for imported cottonseed comes from Australia. According to seed traders, despite concerns over Adventitious Presence (AP) of biotech and the 2004 planting season’s strict Greek government control for AP in conventional seed which may continue in the years to come, U.S. cotton seed imports were minimally affected during the past three years. A number of importers anticipated the 2004 troubles and managed to import a little more seed in 2003 in order to keep stocks for the 2004 planting season. They avoided sampling and testing under the new government, elected in March 2004. US seed in stock from 2003 imports, was estimated at 1,600-1,700 MT. Due to wet soil conditions, the 2004 spring sowing of cotton was problematic, requiring replanting, and therefore requiring more seed. Consequently, much lower stocks will be left over for 2005. Trade activity is expected to be intense in the upcoming importing season, due to insufficient cotton seed, provided that GOG AP Decision is implemented without problems, compared to the spring of 2004.

For the 2005 planting season there is still a question of whether U.S. certificates will have validity for the Greek authorities. The Greek Government did not accept US Certificates for testing, issued on seed produced in the U.S., before shipment.

The initial cotton seed demand for 2004 cotton planting was at 8,400 MT, which corresponds to 22 Kg/ha of planted seed to cover an acreage of 380,000 ha, without the additional demand for an additional 1,500 – 2,000 MT of seed to cover replantings. Reportedly, Bayer Hellas S.A. (Aventis seed distributors in Greece) has supplied the market with about 2,400 MT this year, followed by Delta Pine with approximately 1,700 MT (add to this quantity imported this year, an amount of over 1,000 MT which came from MY 2003 stocks), 1,300 MT from S. Spyrou S.A. (supplying US seed either imported or produced domestically under license), 700 MT from VETERIN (mostly Greek Varieties), 600 MT from Eythymiadis Company (mostly of the "Christina" local variety), 600 - 700 MT from Pioneer Hellas (the new Stoneville Agent for Greece), 300 MT from Elanco, and the remaining of about 1,000 MT were supplied by other companies (Syngenta, KESPY, various stocks, etc). Prices paid by farmers have fluctuated between 5.30 - 6.80 Euros/Kg according to variety and origin. Higher prices were paid for US cottonseed varieties. Over 60% of the total cottonseed supplies for planting, in Greece, originate in the US and/or from US genetics, produced domestically under license. This proportion is reported to be over 80% of the corn seed used for planting in Greece.

As cited in GR2022, corn and other irrigated crops have replaced a certain percentage of cotton acreage in 2003, after the penalties imposed by the EU for the abundant cotton crops of Greece in 2001 and 2002, according to EU Reg. 1050/2001 and 1051/2001, which have imposed high coresponsibility levies when cotton production exceeds the quota, as well as, the CAP reform requirements for cotton which require certain acreage to be planted, starting with the crop year 2004. In 2003 and 2004, farmers replaced part of their cotton acreage with alternative crops such as durum wheat, industrial tomato and corn. Total planted cotton acreage of 390,000 hectares in 2001 has declined to 360,000 hectares in

2002 and according to estimates for 2003 and 2004, total acreage was at 368,000 Ha and 380,000 Ha respectively.

Corn seed is no longer produced domestically in significant amounts, so imports account for almost 100% of the crop. Reportedly, Greece's 2004 imports were about 250 – 260,000 UNITS of seed corn or Bags of 50,000 Seeds (weighted average content, which is equal to about 15 kg/unit). This amount corresponds to about 3,900 – 4,000 MT of corn hybrid seed, imported into Greece every year to be planted in an acreage of approximately 130-133,000 Hectares. This market is satisfied by a number of companies, mostly US. Pioneer Hi-Bred cover 60% of the domestic market, Monsanto with its Dekalb and Asgrow Hybrids (which appear to be gaining ground in Greece for the past 2 years) cover 14-15%, Syngenta another 16-17%, Advanta (a US firm in Iowa) another 5%, Spyrou S.A. another 3-5 % and a small portion is covered by others (Profarm S.A. with Yugoslavian Seed, and a few local varieties). The total amount of corn seed imported into Greece in CY 2003 is officially reported at 4,148 MT (see attached table on Total Seed Imports). This is valued at €17 million or $18 million, (from all origins but almost 80% of US origin).

Most seeds used in Greece for field crops, vegetables, grasses and forage plants are sourced from the EU, the United States and, to a lesser extent, from other third countries (S.Africa, Turkey, etc). Domestic production covers only part of the local demand for some products such as tobacco, sugar beets, alfalfa, wheat and some cotton.

For corn seed, farmers pay between 150-170 Euros per bag or unit, with prices varying according to variety.

Essentially, US genetics utilized in Greece cover a higher percentage from that cited in official statistics, due to transactions taking place elsewhere in Europe and also from third countries where the seed produced is based on US genetics and exported to Greece. Corn, as cited above, together with durum wheat became popular Greek crops again when farmers replaced significant cotton acreage with alternative crops.

Total wheat seed demand in Greece is 125,000-130,000 MT. Of this, annual domestic production of durum wheat seed is estimated to be 25,000 - 30,000 MT and soft wheat seed production is 48,000 MT. The remainder comes from a rotation of seed. The main durum wheat seed varieties domestically produced are described extensively in last year's Seeds Annual report No. GR3023. Durum seed usage fluctuates between 150-180 kgs per hectare.

Annual Imports of wheat seed (durum wheat variety under the brand name "Kronos") are estimated at 200-300 MT/annum.

Either the GOG Ministry of Agriculture and/or the competent authorities in the country of origin where the seed is imported must certify all wheat seed for planting.

In September 2002, GOG Ministry of Agriculture announced that in compliance with relevant EU Regulations (1251/1999 - EEL160/99 and 2316/1999 -EEL280/99), durum wheat farmers from that point onwards must reduce seed usage per area unit from 150-180 Kgs /Ha, down to 100Kg/Ha of only certified seed. This year (2004 crop) with a new Government, Ministry of Agriculture has reduced this amount down to 80 kg/Ha. Farmers customarily rotated the use of new wheat seed every 4-5 years, which reduced the level of sales of saved Greek certified seed produced domestically and/or imported. This regulation strove to prohibit the use of saved seed kept on farm from previous harvests and for all durum wheat varieties grown, starting with the 2002-planting season. According to trade sources, wheat farmers only required 80Kg/Ha of certified seed (180-200 kg/Ha is used elsewhere within the EU), and were going to harvest a crop of reduced output and quality this year making Greek wheat less competitive, particularly that of durum varieties. This is actually the case this year, and Greek farmers cannot sell their wheat. Reportedly, there are about 700-800,000 MT of wheat in stock, of relatively inferior quality.

Under the new CAP reform developments, farmers who use high quality seed for top durum wheat varieties will be qualified to receive 40 Euros/ha as a subsidy. This is an incentive for EU grain farmers to produce better qualities of durum wheat. Only those farmers who satisfy this EU requirement will be eligible to receive the EU income support (grain subsidy per area unit cultivated with durum wheat).
Tomato seed usage and trade for industrial use is described in last year's report GR 3032 and no significant changes are reported. In 2004, growers paid for tomato hybrids approximately 23.00 Euros per 5,000 seeds, 205.40 Euros per 50,000 seeds and 611.00 Euros per 150,000 seeds. Prices for standard demanded varieties fluctuate from 36.00 Euros to 115.00 Euros. The most common standard tomato early varieties used in Greece are the Rio Grande and Missouri.

Domestic production of other field crop seeds is improving, especially for sugar beet seed, tobacco seeds and alfalfa. The latter is becoming an important crop in Greece utilizing acreage left over from partly abandoned irrigated fields (i.e. cotton and sugar beet fields). Extensive analysis of the situation, including usage of other imported seed, was given in the report No. GR1020.

Detailed trade data on major seeds imported into Greece, for CY 2003 are available at this time from the Ministry of National Economy. The National Statistical Service is part of this Ministry, see attached table. Exports of seeds from Greece are of negligible importance and they are not reported. According to the available statistics Greece has imported the amount of 41,000 MT of seeds (all types of seeds) in 2003 at a total value of €52.8 million. Field crop seeds lead with €20.00 million, followed by vegetable seeds of €18.9 million, flower seeds of €3.4 million and grass seeds at €1.0 million.

The total quantity of field crop seeds utilized from year to year does not vary much, due to predetermined areas for planting under EU crop area quota and CAP reform requirements. There are some variations based on variety from year to year and some fluctuations in land use. Some increase in demand is reported for vegetable seeds, connected to increased vegetable consumption, and for grass seed blends, due to an increased demand for landscaping projects both in the private and public construction sectors.

PLANT HEALTH REGULATIONS

Greece follows the EU Phytosanitary regulations complying fully with EU Reg. No. 2204/1999 which amended EU Reg. No. 2658/87. In GR0026 (2000 Annual Planting Seeds report) a full description is given of the phytosanitary regulations in effect (Pages 4-9). There are no changes reported since then. US Traders attempting and/or willing to sell US durum wheat seed to Greece, must seriously consider the karnal bunt issue well in advance. All wheat (both grain and seed) will be subject to laboratory testing upon arrival. According to our sources in the field, starting in 2003 an importer has imported US Durum wheat seed from California and tests for Karnal Bunt upon arrival have given negative results.

Discussions over Karnal Bunt are still in progress in order to investigate probable ways to facilitate more imports of U.S. wheat seeds into the Greek market. Wheat sampling, testing developments and procedures are among the most critical issues for the abrogation of this restriction. Durum wheat seeds of U.S. origin (Mexicalli variety) remain highly preferred by a number of importers.

According to Agronomists of Greek Customs at the port of Thessaloniki, the Benaki Phytopathological Institute in Athens has revised its testing method for Karnal Bunt for both seed and grain wheat imported into Greece, according to new EU instructions, after a long period of technical meetings among European Laboratories. This remains to be verified by AgAthens.

SEED CERTIFICATION

The general structure of the Greek seed certification system is extensively described in GR0026 (2000 annual). There are no changes since then. The years 2001, 2002 and 2003 (for seed imports to be planted) proved to be extremely difficult for Greek Authorities to test 100% of all the seed types imported into the country. In the case of cottonseed, testing was problematic because of GOG's testing for biotech (GM) content. This was costly, and it caused delays in seed distribution due to a lack of sufficient laboratory capacity and expertise. On the other hand, in 2004 the newly elected Government has intensified seed tests for AP and has caused anxiety among seed importing companies. A detailed description of the situation as developed since spring 2004 is given in two voluntary reports No GR4014 and GR4029.
Ministry of Agriculture certification centers (KEPYELs) are the responsible regional agencies helping carry out field inspections and certification, according to relevant legislation pertaining to seed production. Judging by these developments, the Ministry of Agriculture does not yet have the capacity to fully undertake all these responsibilities and incur 100% sampling and testing for all the imported seed lots.

Currently, imported seeds are sampled and tested on a random basis (1 out of 10 seed lots are sampled and tested), but this is only on paper and the Government of Greece can opt for a higher percentage of testing. The tolerance level for corn seed approved events is set at 0.5% content of transgenic material, while for cotton seed, the "non presence" requirement is still in effect.

Greece requires all commercial seed shipments to be accompanied by the following documents:
A commercial invoice, bill of Lading, certificate of origin, phytosanitary certificate and OECD certificate for each imported lot, per species.

Seed handling and treatment equipment facilities are at a very advanced level, in both the private and public sectors in Greece. Lack of funds for professionally trained personnel is the largest constraint, to handle large amounts of seed utilized in all crop sectors (sampling and testing is still a questionable procedure).

INTELLECTUAL PROPERTY RIGHTS (PLANT VARIETY PROTECTION/PLANT PATENTS AND VARIETY APPROVAL)

Intellectual property rights are covered within the framework of EU Regulation No. 2100/94. Registration procedures for new varieties to either the EU or National variety catalogs are already described in GR0026.

MARKET DEVELOPMENT OPPORTUNITIES

For the past 2-3 years the Greek market for ornamental grass species has responded to demand created by the 2004 Olympics. A total amount of almost 600 MT was imported (from all origins, but mainly from the Netherlands and Italy) in CY 2003, a significant increase compared to previous years, but expected to be much higher in CY 2004 than it actually was.

Varieties needed must be easily grown under dry conditions such as: Acorus, Carex, Zoysias and Bermudas varieties.

Prairie meadow seed blends, which can be used only for landscape rehabilitation purposes, erosion control, and small-scale ground cover solutions, are proposed for a big part of landscape projects in public works around the country. An indicative retail price for blended grass seed is currently reported at 3.2-3.3 Euros/kg.